

# Cost Containment Considerations with Medication Use

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Presented by: Marie Mackowick, PharmD, BCPP

# Prescription Drug Trends

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- Prescription drugs are vital in the prevention and treatment of illness.
- Accounted for 10% of health care spending in 2005 - \$200.7 billion
- Spending for prescriptions is one of the fastest growing components of health care spending
  - Increase of 18 % in 1999 – 6 % in 2005

(National Health Expenditure Data from Centers for Medicare & Medicaid Services)

# Prescription Drug Trends

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- Increase in utilization
  - Rx per capita increased from 7.9 in 1994 to 12.4 in 2006
- Increase in price
  - Rx prices increased average of 7.5%/ year- both due to price changes and new higher-priced drugs  
(annual inflation rate was 2.6%)
- Types of drugs prescribed
  - Use of new, more costly, drugs in place of older, less expensive medications

(Agency for Healthcare Research and Quality)

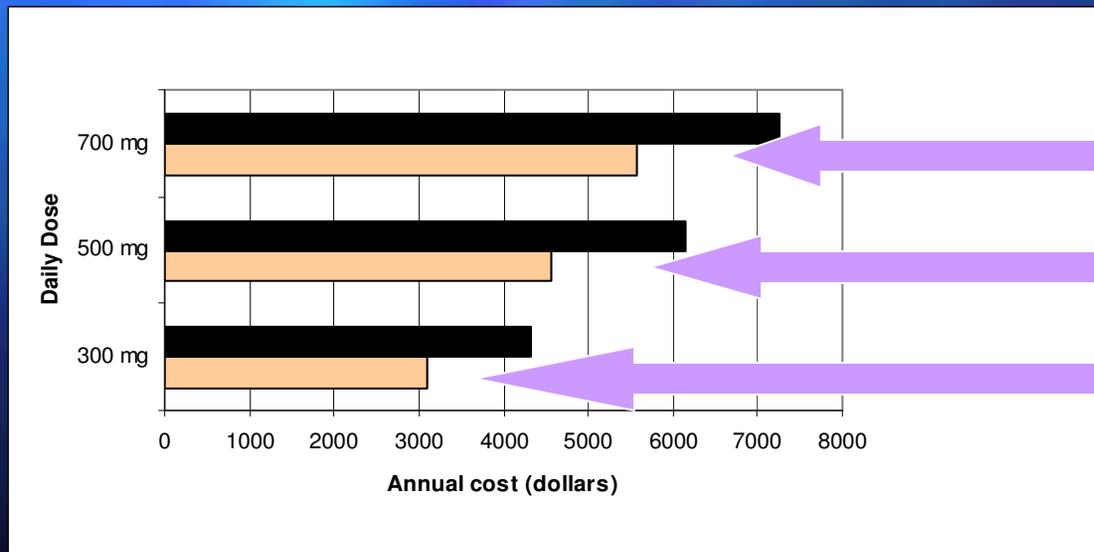
# Cost Containment Strategies

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- Mandatory generic substitution
- Dose optimization
- Therapeutic substitution
- Closed formulary
- Preferred drug list
- Step therapy or fail-first requirements
- Prior authorization/ management of specialty drugs

# Cost information disclaimer

- Cost information presented is for comparative purposes only
- Absolute cost affected by purchasing power and rebates



Difference in the 2 bars (potential savings) is the important point

# Cost Saving Considerations

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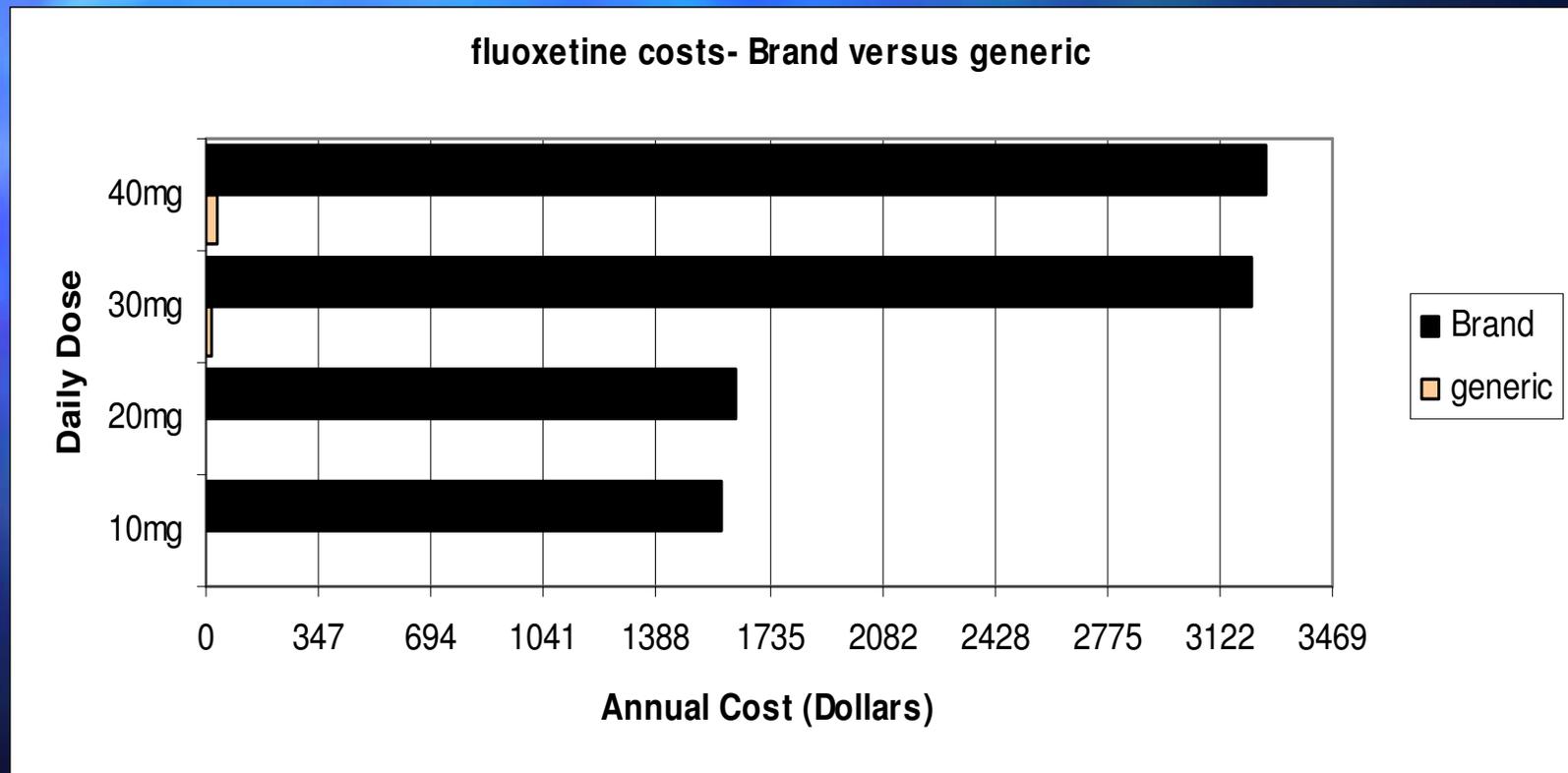
1. Cost differences between generic and brand name medications
2. Cost differences across dosage forms of the same medication
3. Cost differences between BID and Daily administration schedules.
4. Generic preparations considered therapeutically equivalent to a brand name product.
5. Cost differences within a therapeutic class

# Generic medications

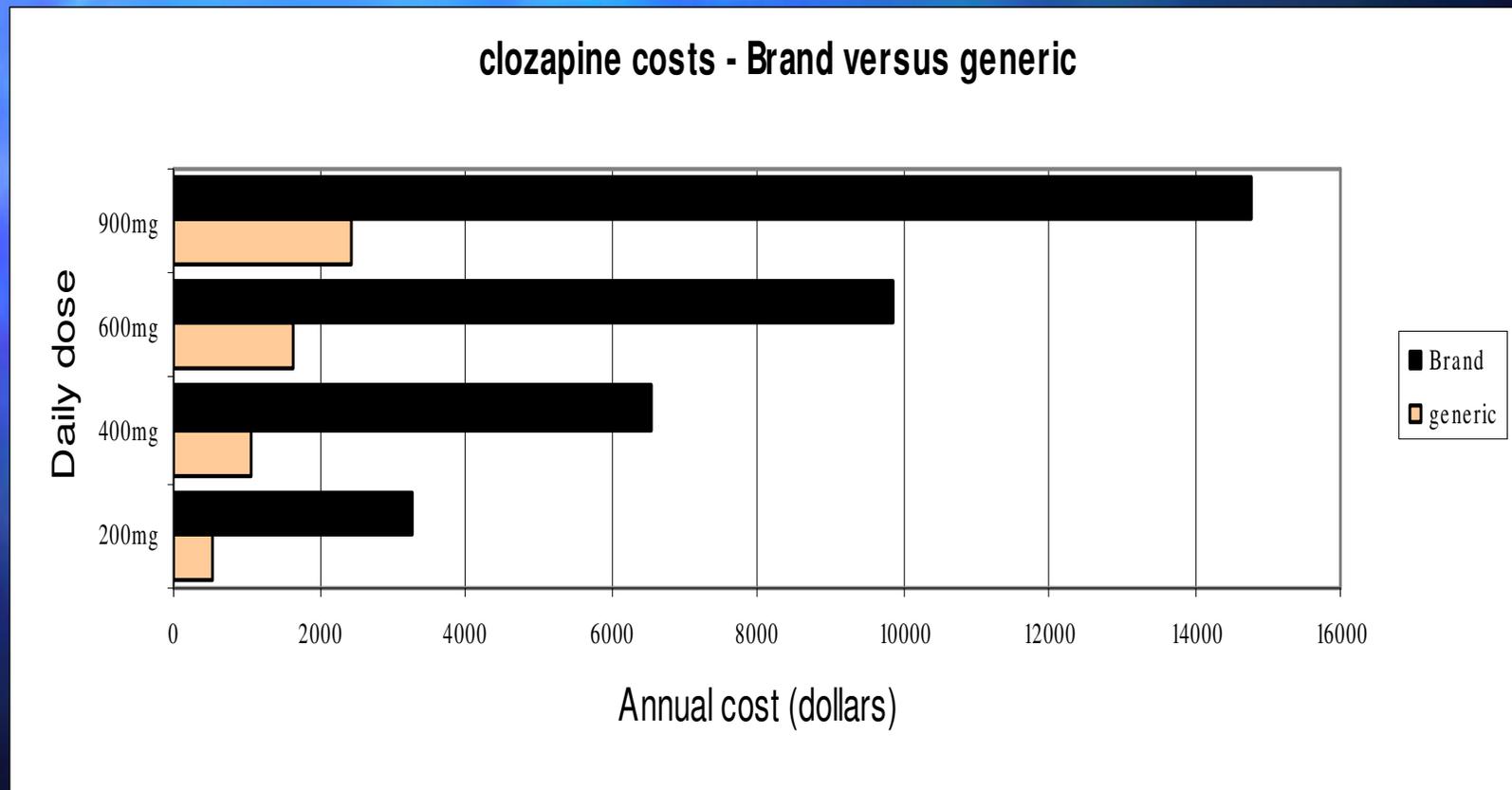
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- A generic drug is a copy that is the same as a brand-name drug in dosage, safety, strength, how it is taken, quality, performance and intended use.
- Generic drugs are less expensive because generic manufacturers don't have the investment costs of the developer of a new drug.
- Also, once generic drugs are approved, there is greater competition, which keeps the price down.

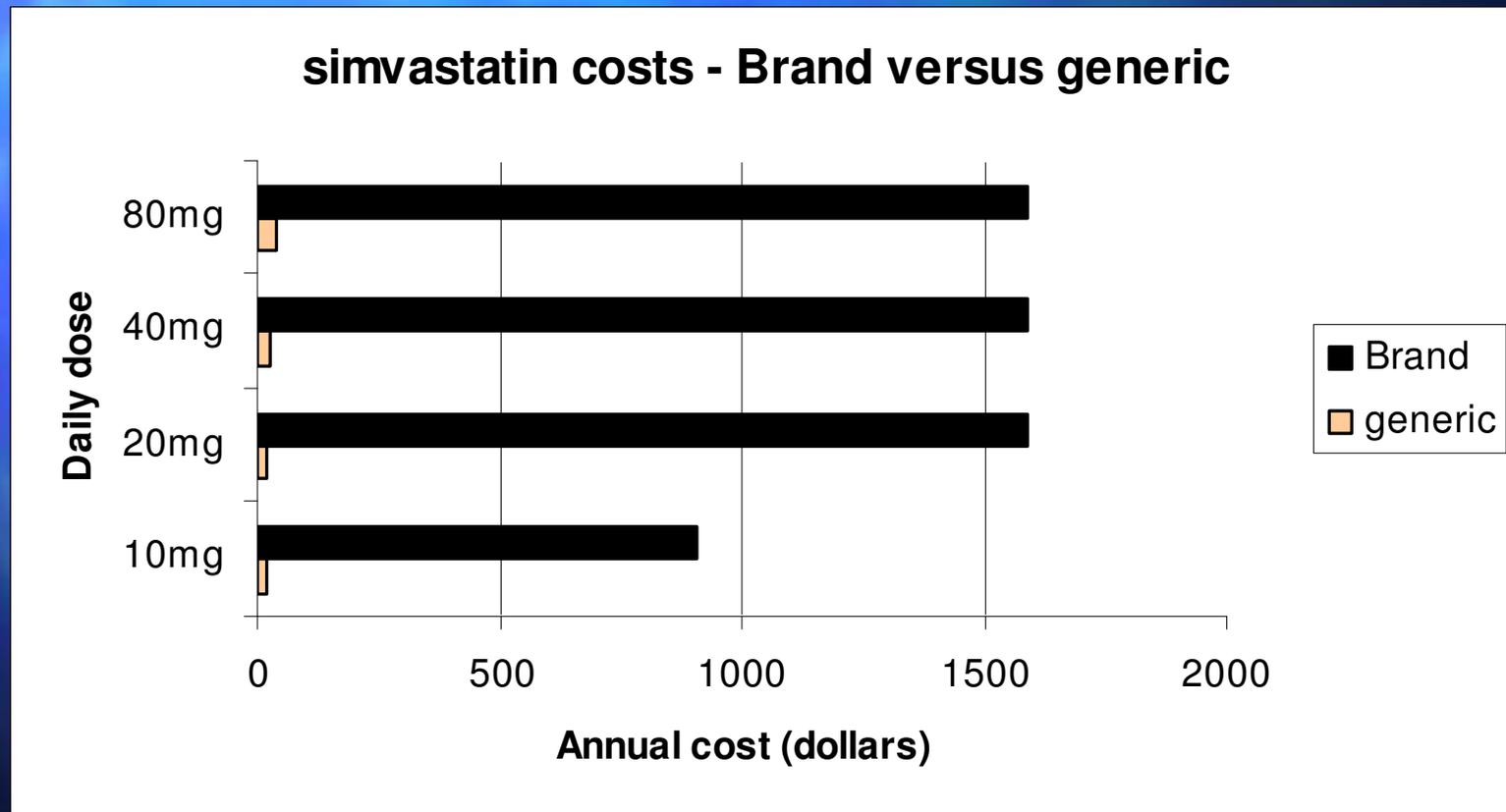
# Cost differences between generic and brand name medications



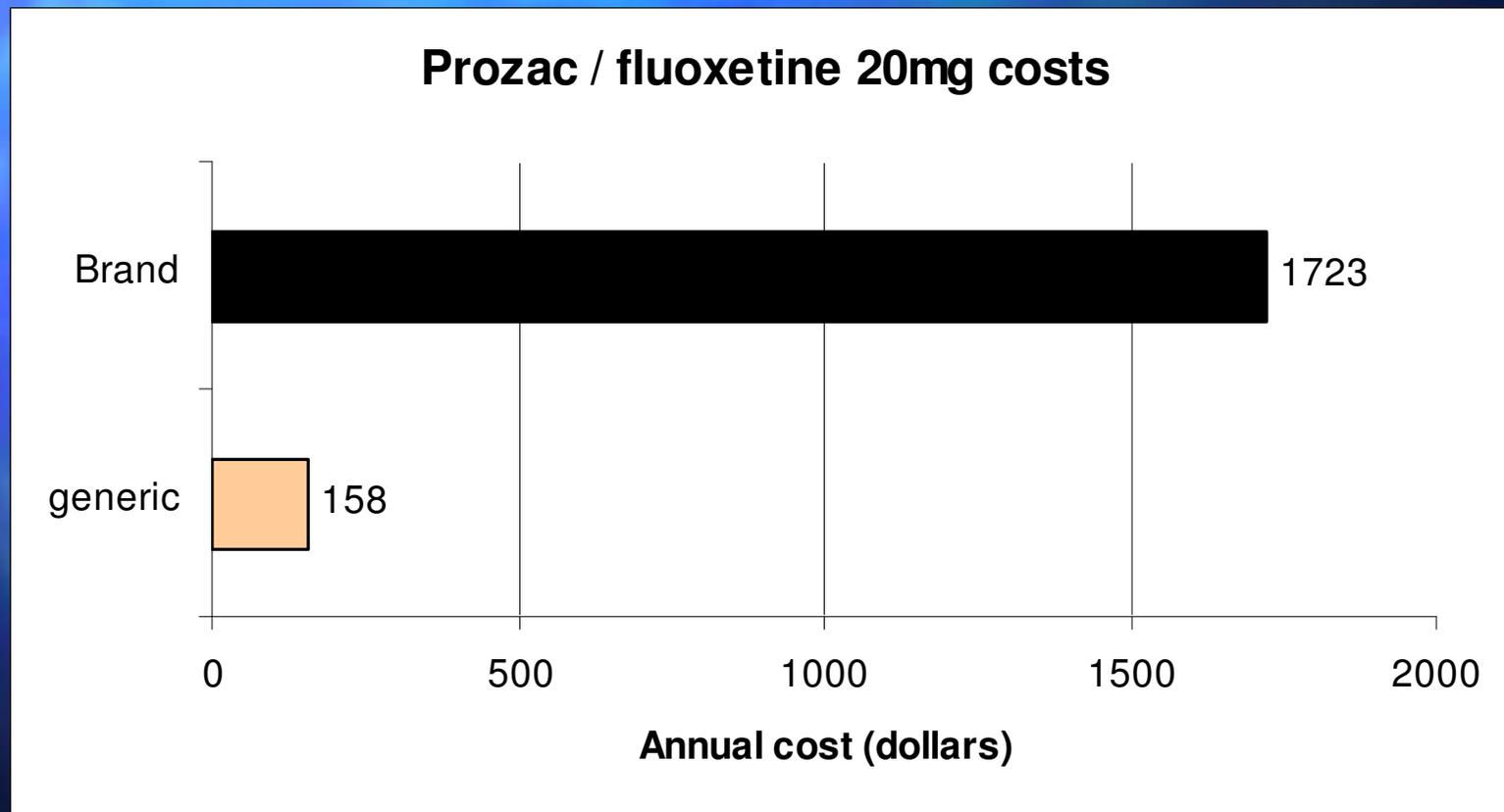
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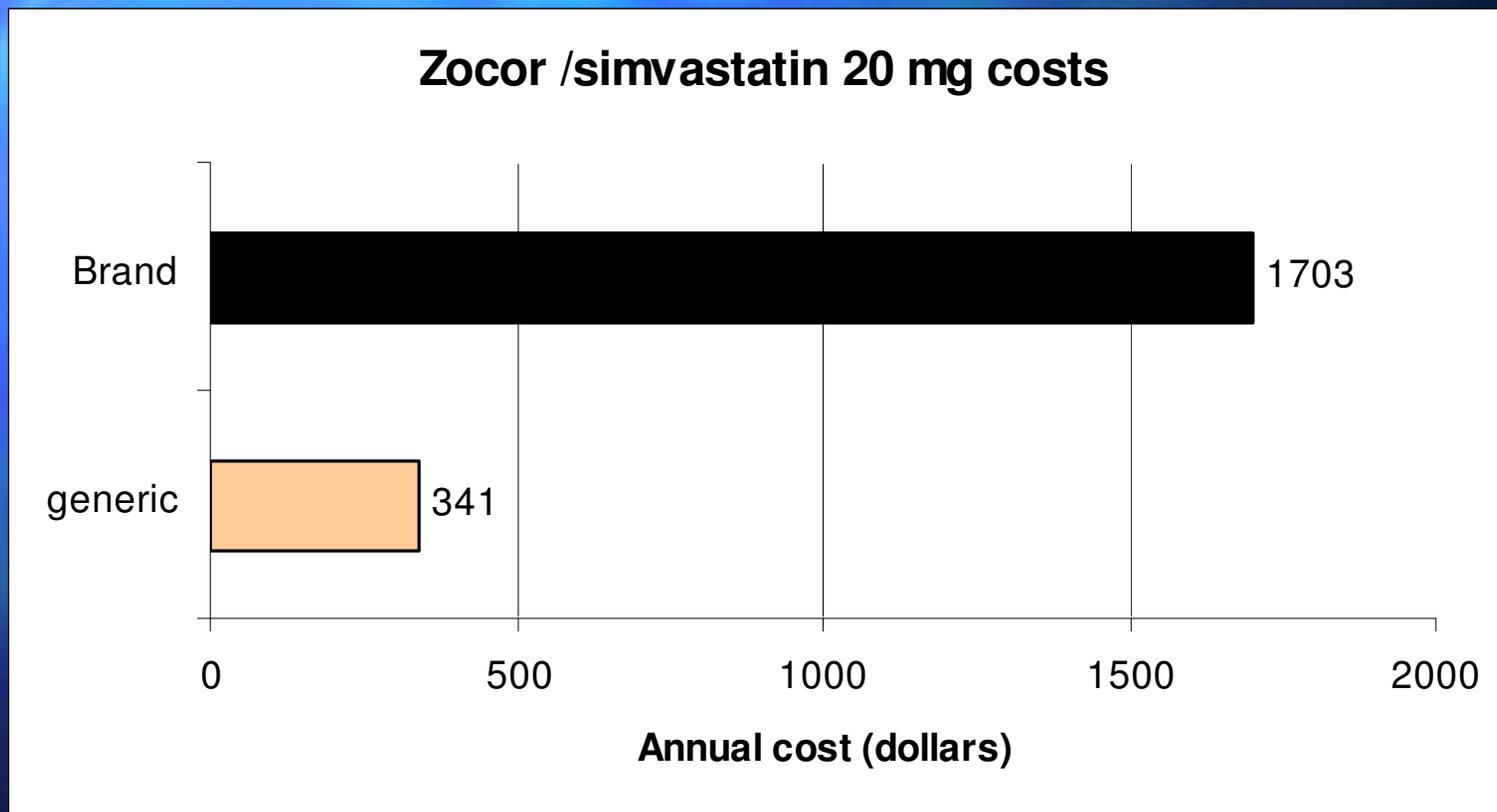


# Cost differences between generic and brand name medications



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# Cost differences between generic and brand name medications-



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# \$4 – Generic Program

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- Wal-Mart, Sam's Club, Target, etc. have made several generic products available for a price of \$4
- Covers a 30 day supply at commonly prescribed doses
- Covered medications are listed on website – [www.walmart.com](http://www.walmart.com) / [www.target.com](http://www.target.com)
- Some examples include:
  - ACE inhibitors (enalapril, lisinopril)
  - Antidepressants (fluoxetine, citalopram)

# Generic medications

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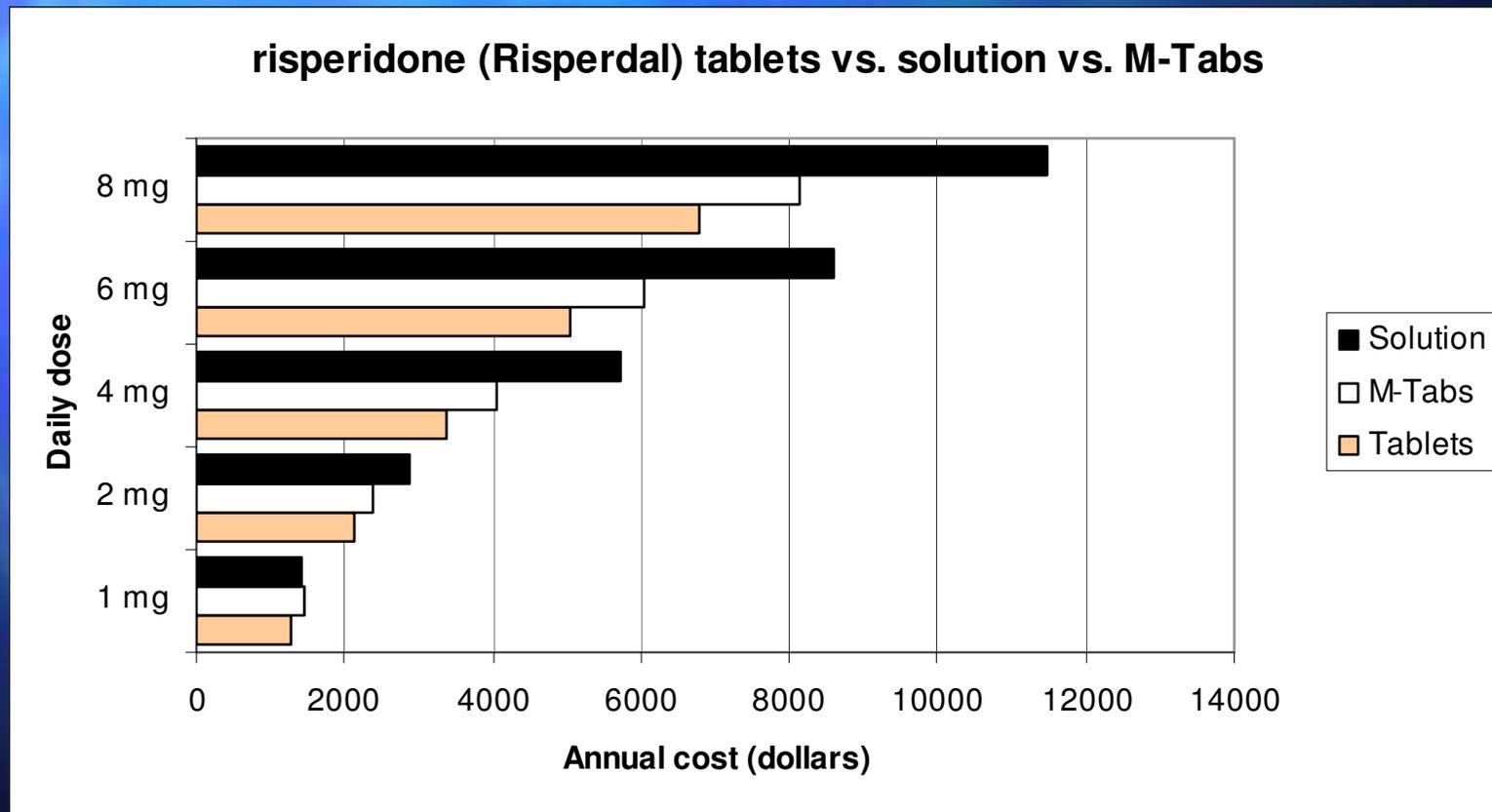
- <http://www.fda.gov/cder/index.html>

- Quick Info Links –

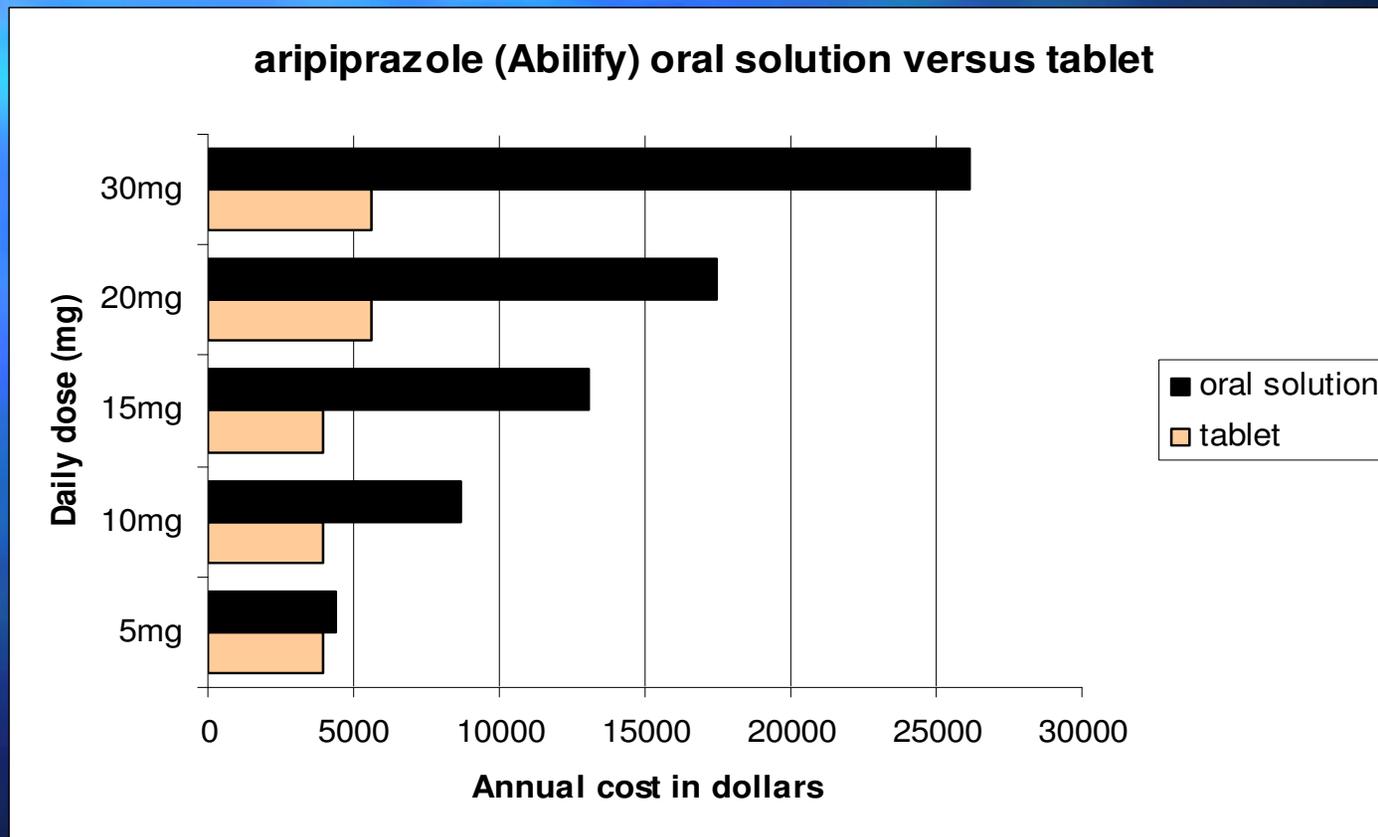


- Brand and Generic Drugs; Labels, Approval Histories and more...
- Search by Drug Name, Active Ingredient, or Application Number
- Will list 'therapeutic equivalents' if generic products available

# Cost differences across dosage forms of the same medication



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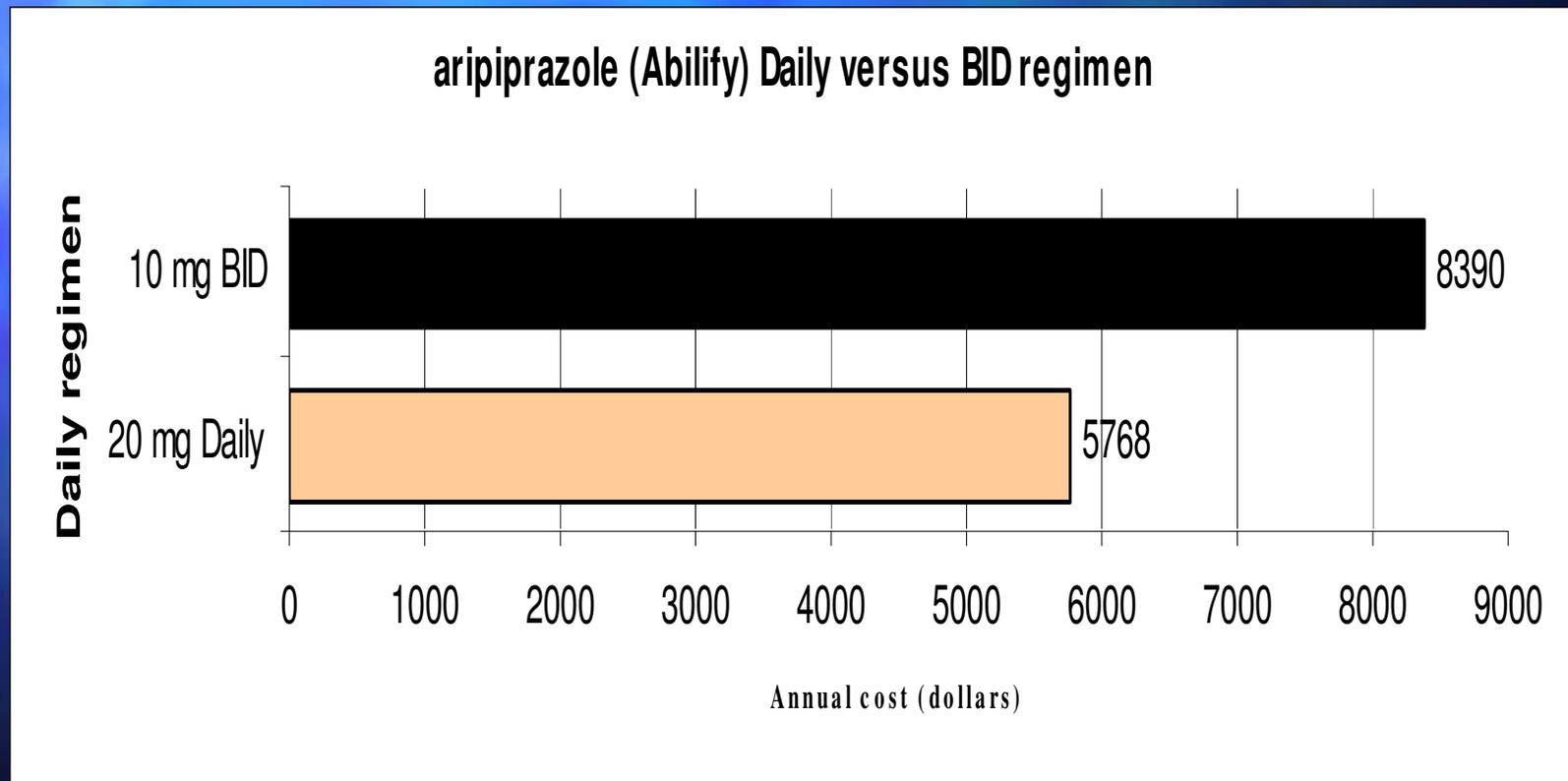
# Cost differences across different regimens of the same medication

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- aripiprazole (Abilify) costs
  - 10 mg - 344.81/30 day supply
    - 11.49 / tablet
  - 20 mg – 474.07/30 day supply
    - 15.80 / tablet

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# Cost differences across different regimens of the same medication



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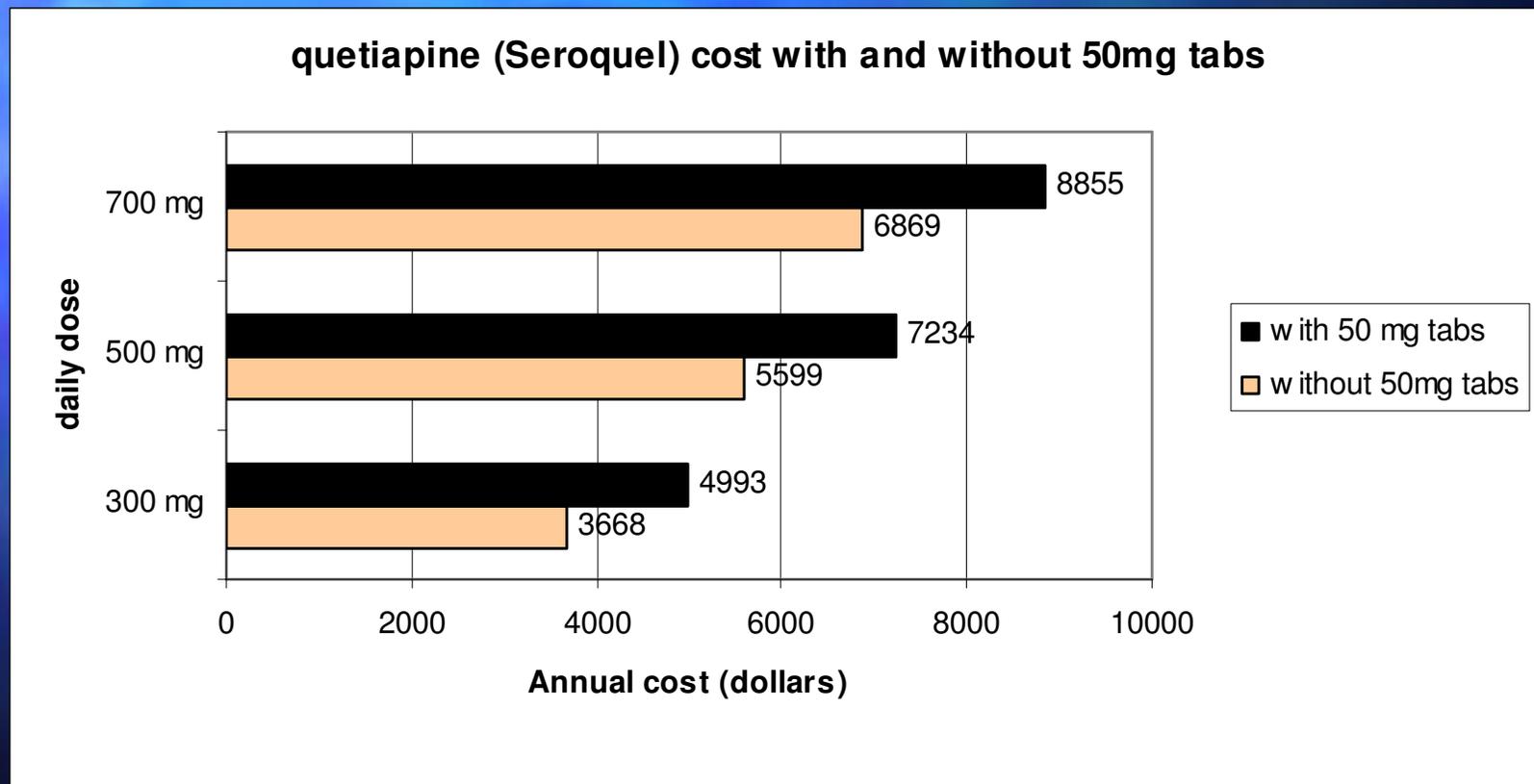
# Cost differences across dosage strengths of the same medication

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- quetiapine (Seroquel) costs per tablet
  - 50 mg – 3.35/ tablet
  - 100 mg – 3.49/ tablet
  - 200 mg – 6.56/ tablet
  - 300 mg – 8.78 / tablet
  - 400 mg – 10.04 / tablet

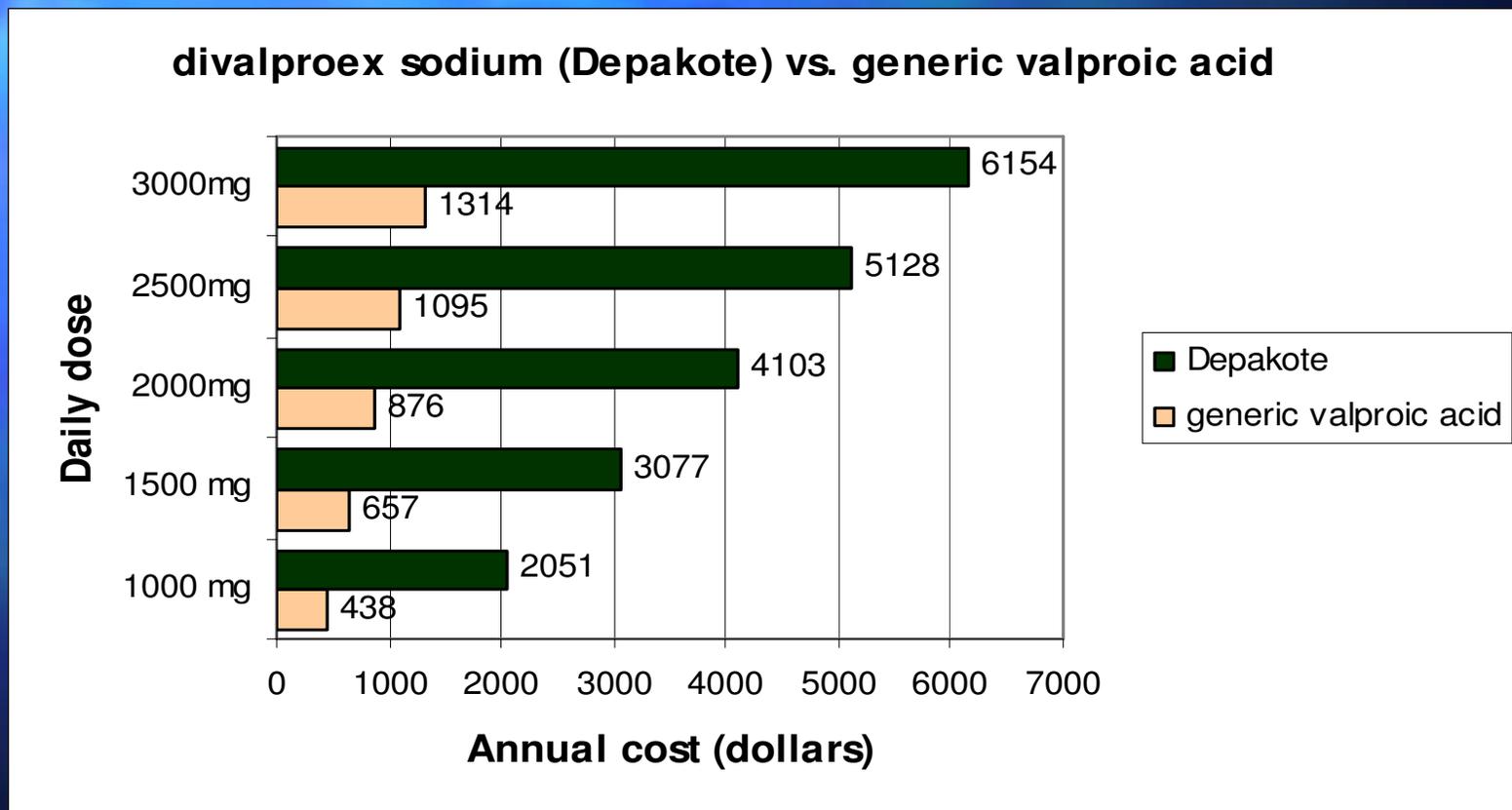
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# Cost differences across dosage strengths of the same medication



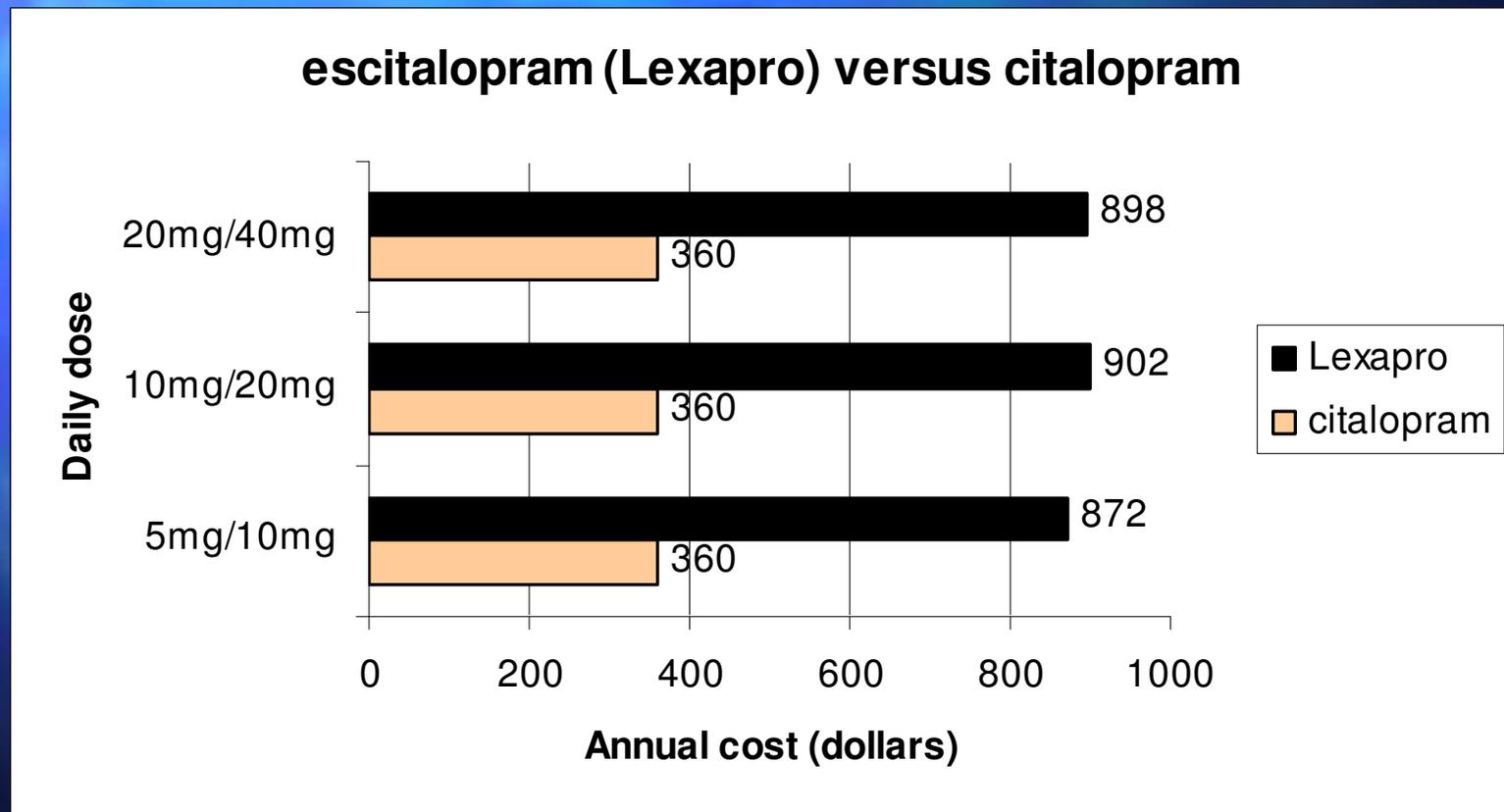
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# Generic preparations that are considered therapeutically equivalent to a brand name product



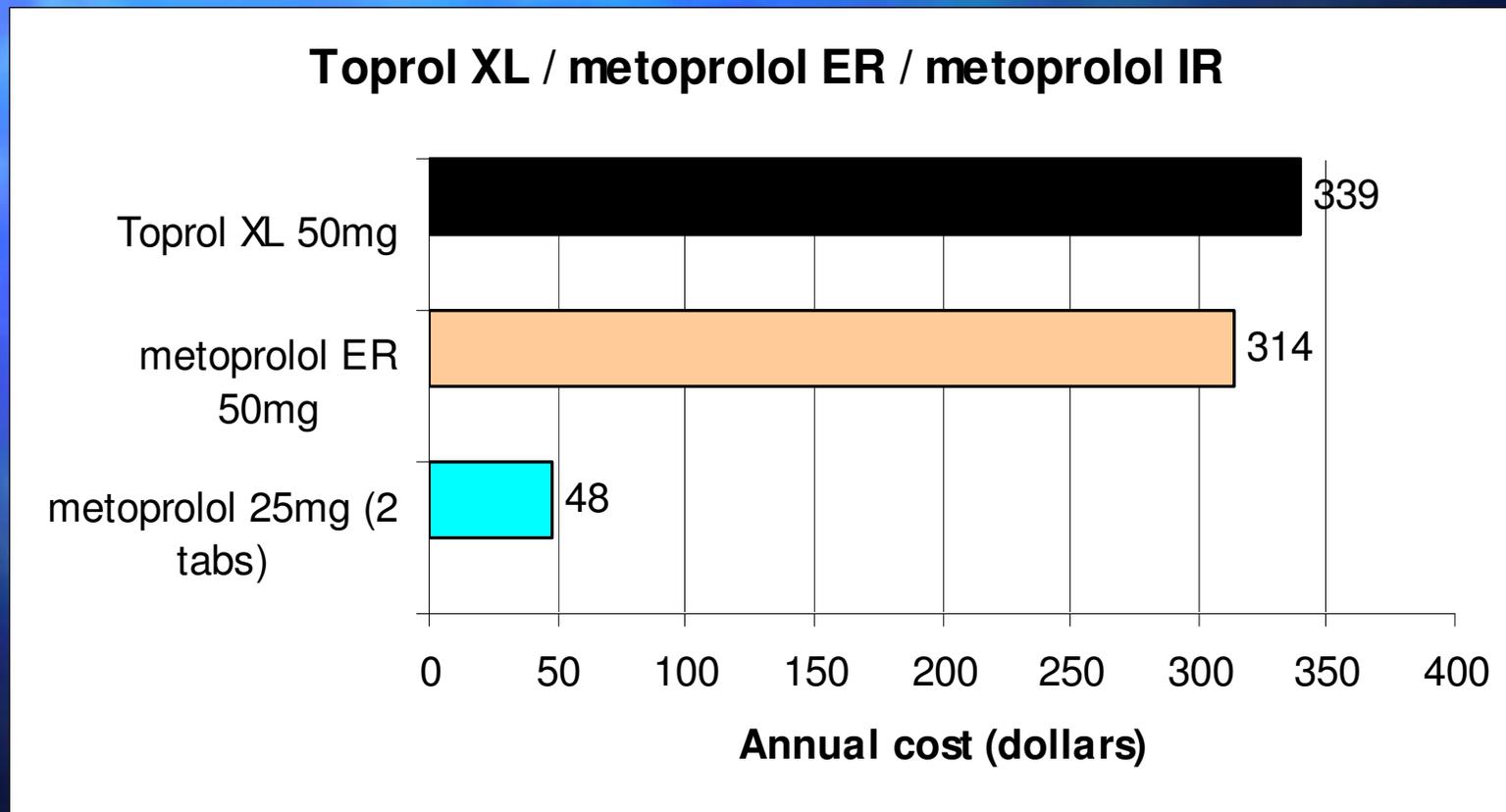
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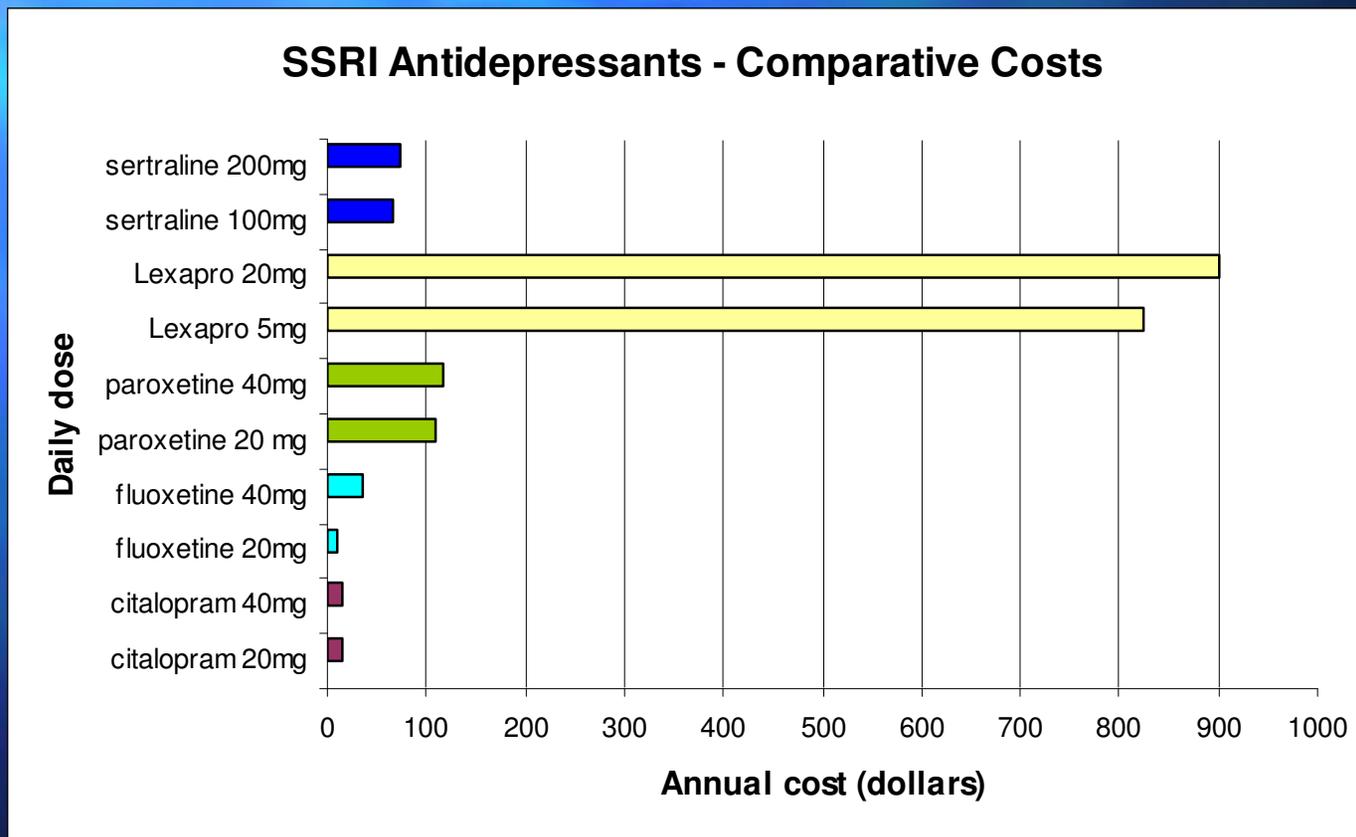
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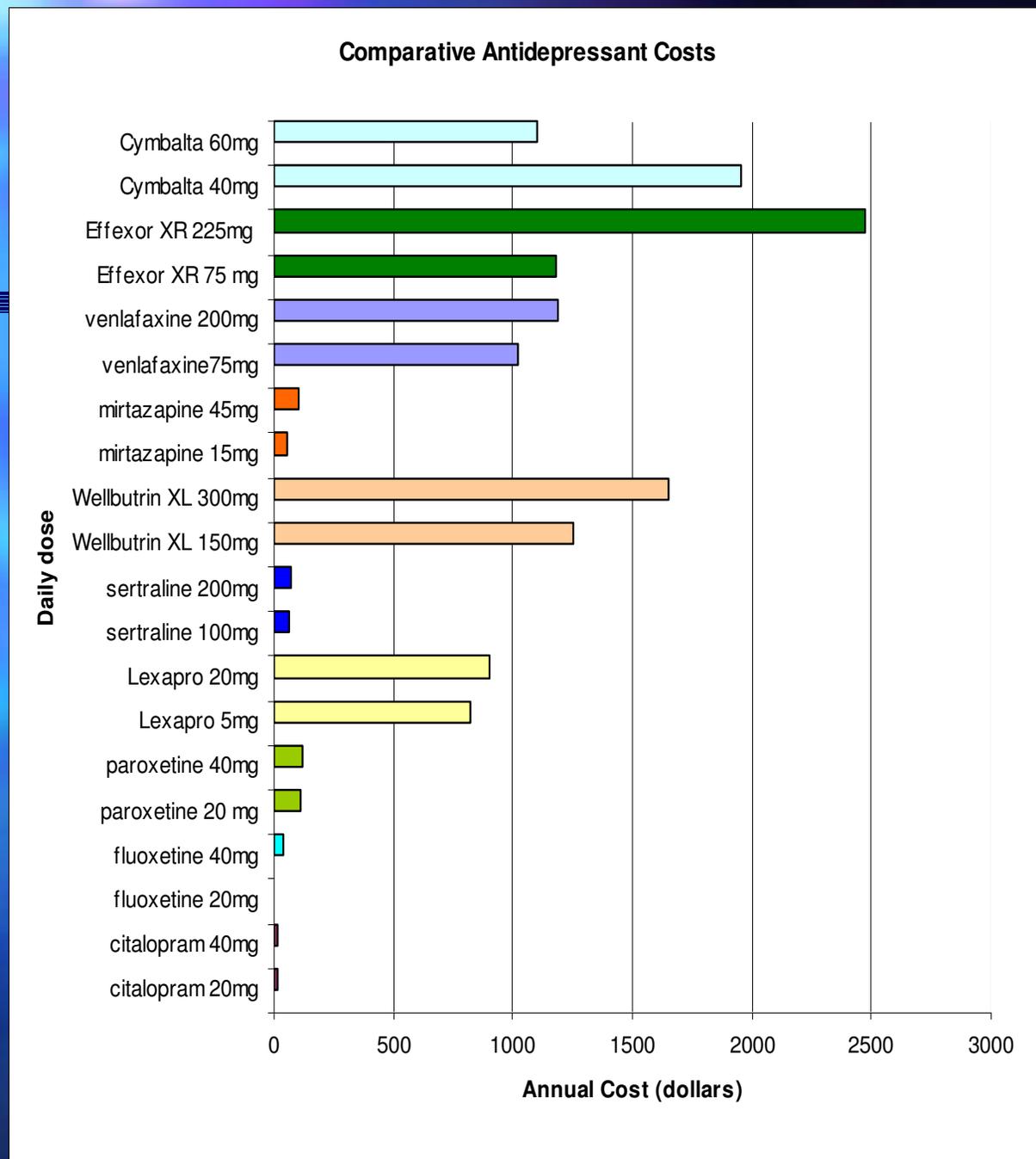


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# Cost differences within a therapeutic class - SSRI antidepressant agents



Cost differences within a therapeutic class, antidepressant agents



## Cost differences within a therapeutic class

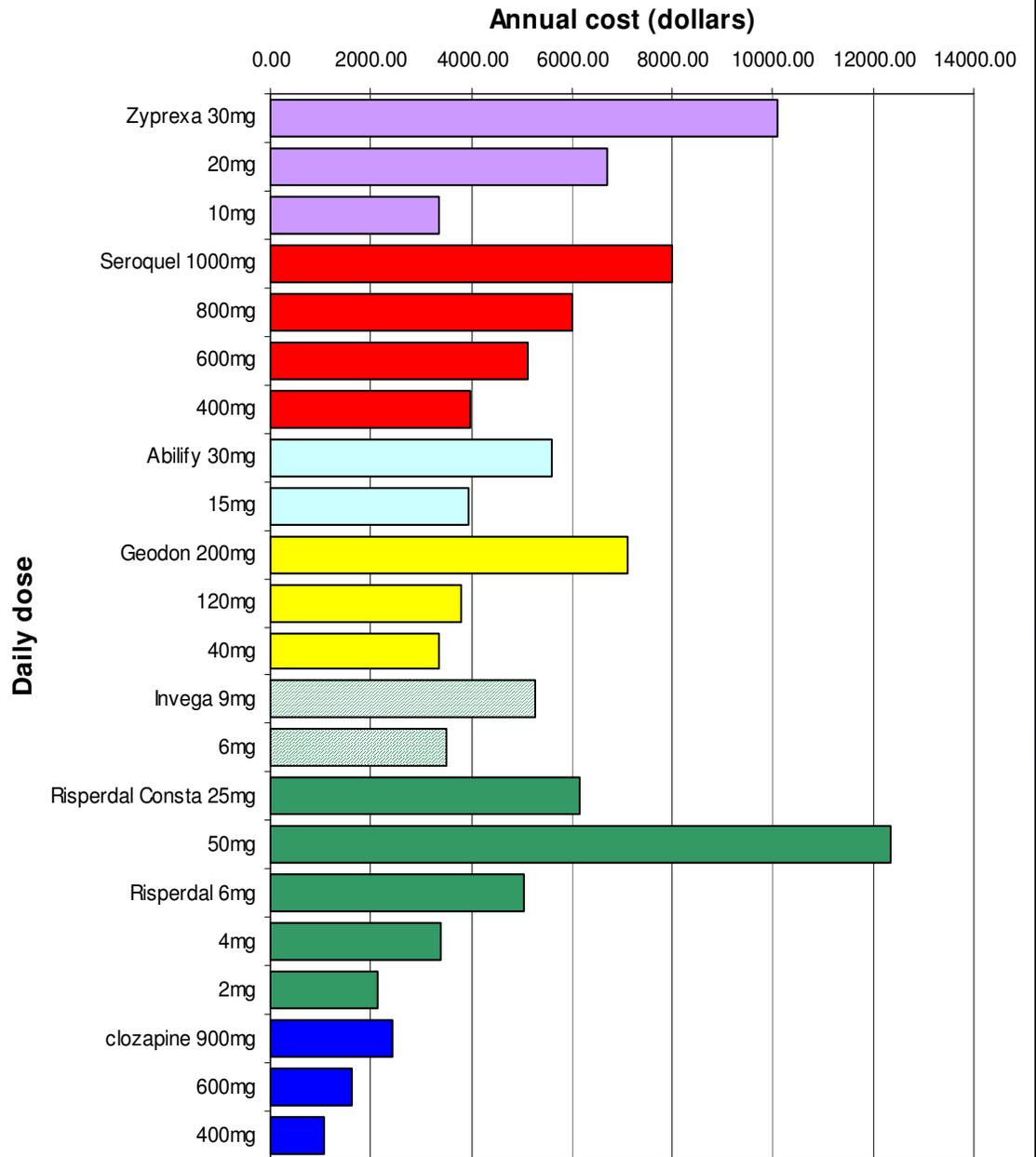
### - SSRI antidepressant agents

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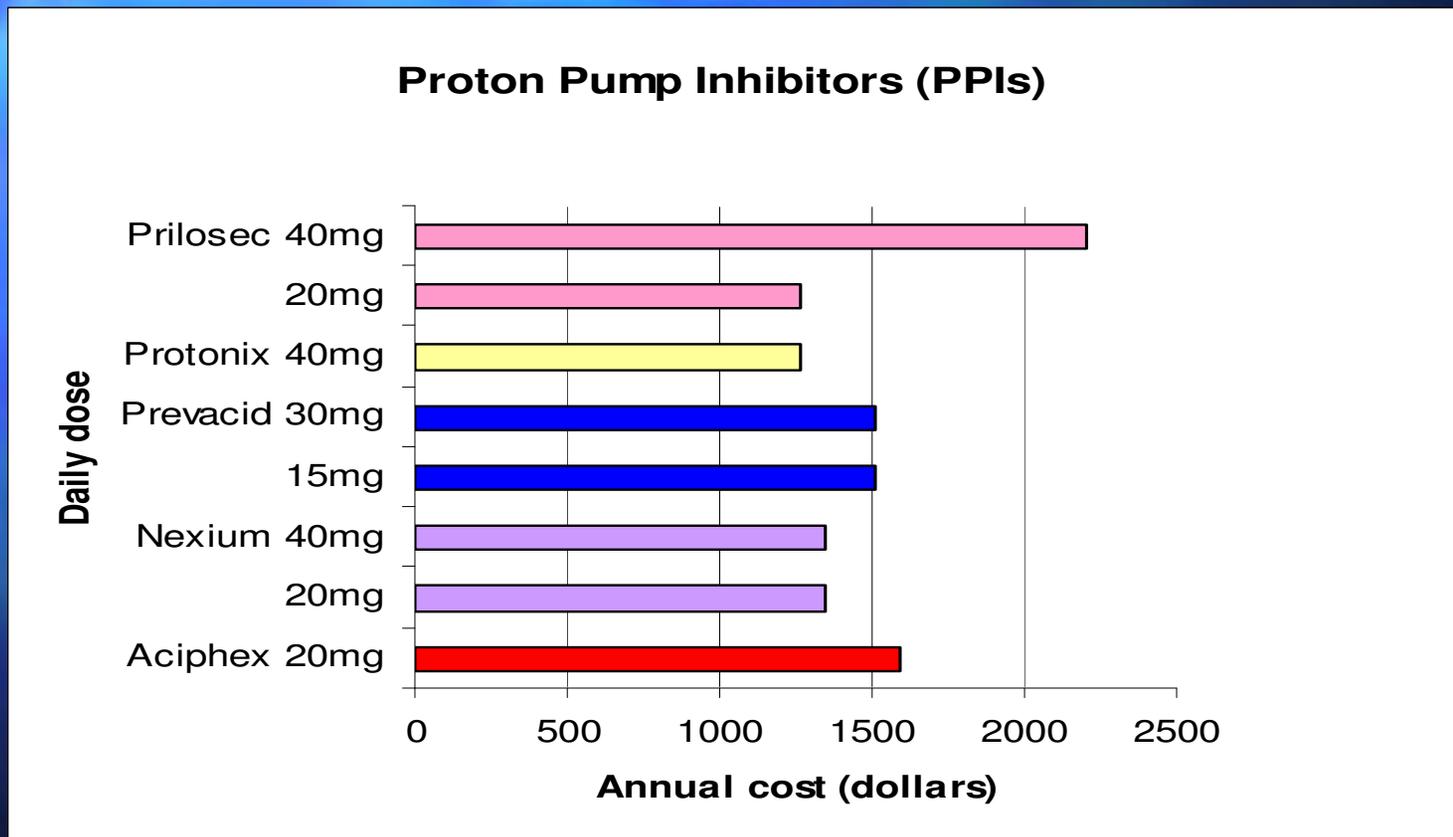
- duloxetine (Cymbalta) costs
  - 20 mg - 3.60 / capsule
  - 30 mg - 3.78 / capsule
  - 60 mg - 3.93 / capsule
  
- 40 mg dose- 7.20 / day

Cost differences within a therapeutic class, 'atypical' antipsychotics

### Atypical Antipsychotics Comparative Cost

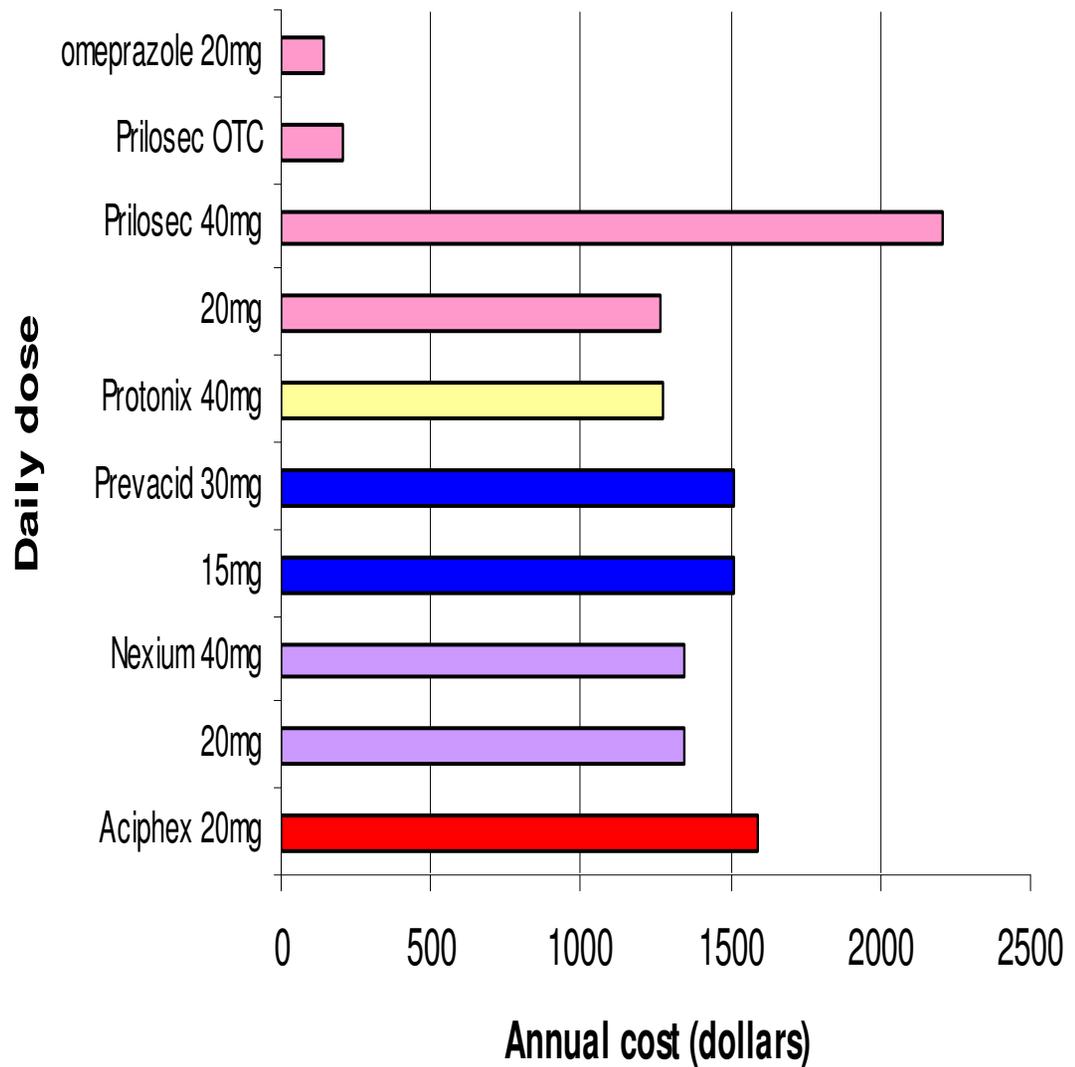


# Cost differences within a therapeutic class- Proton Pump Inhibitors (PPIs)



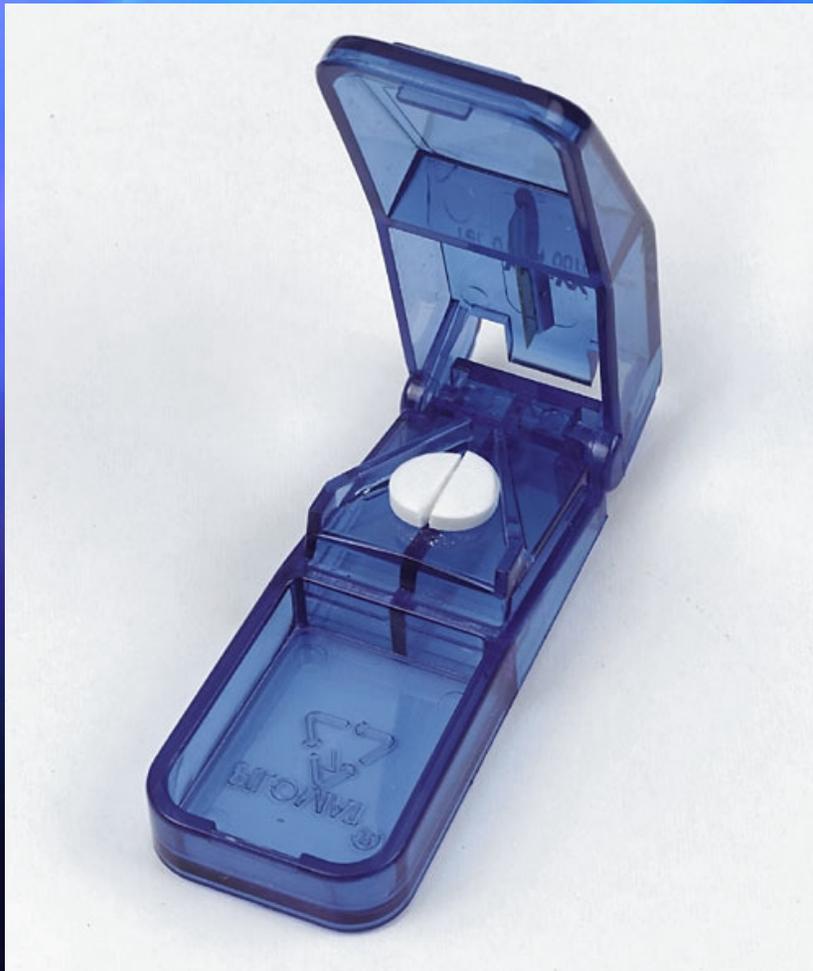
Cost differences  
within a  
therapeutic  
class- Proton  
pump Inhibitors  
(PPIs)

Brand PPIs versus generic omeprazole



# Controversial issue - Tablet splitting for cost containment

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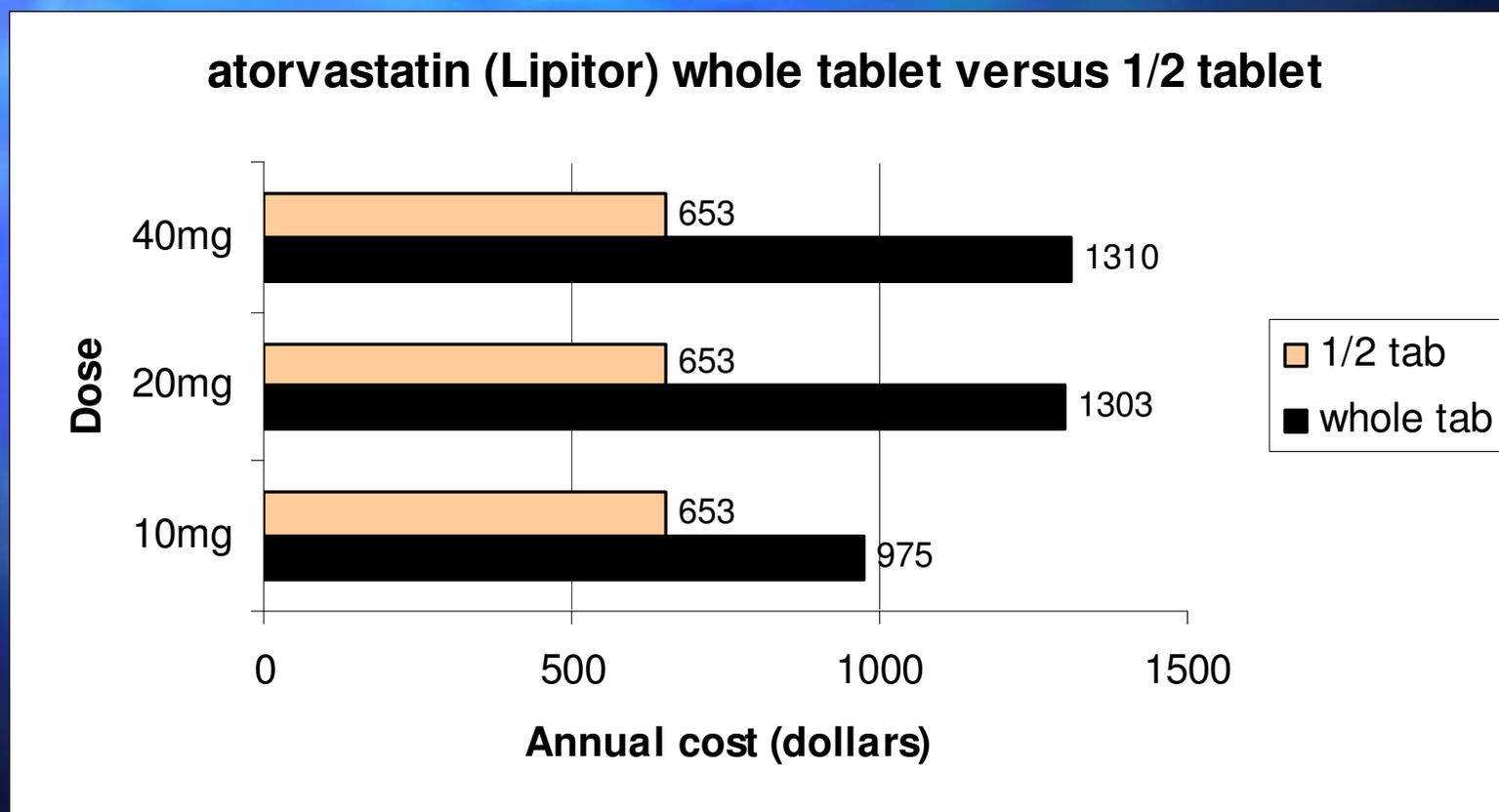
# Controversial issue - Tablet splitting for cost containment

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- atorvastatin (Lipitor) costs
  - 10 mg – 2.67 / tablet
  - 20 mg – 3.57 / tablet
  - 40 mg – 3.59 / tablet
  - 80 mg – 3.63 / tablet

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# Controversial issue - Tablet splitting for cost containment



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# Controversial issue - Tablet splitting for cost containment

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- Pros- Decrease medication cost
- Cons
  - Not all tablets can be split
  - Patient may take the wrong dose
  - Patient may get their medications mixed up and split the wrong one
  - Patient may split the medication unevenly either resulting in adverse effect or lack of therapeutic effect.

# Summary

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- Use generic if available
- Use tablet/capsule dosage form if possible
- Use fewest number of tablets/capsules
- Consider generic for therapeutically comparable medications
- Consider cost when choosing within a therapeutic class